

Trustee Accountability Program New Hanover Regional Medical Center

Hospital boards are increasingly scrutinised by and answerable to the County Commissioners, state and federal regulators, the media, and the community, all of whom demand accountability in the governance of the hospital. In today's changing medical reimbursement climate, it is also important for Trustees to be informed and educated in order to maintain a fiscally sound hospital.

The Trustee Accountability Program is a voluntary program established by and for the Trustees of NHRMC. It is designed to demonstrate commitment by a Trustee to the hospital by evidence of continuing education. It mimics many of the requirements for trustee certification programs administered by the hospital associations in several other states, especially Georgia, Iowa, Nebraska, and Tennessee.

This program is a process of verifying the individual Trustee's initiative to improve personal health care knowledge, leadership effectiveness, and compliance with a variety of governance best practices. By fulfilling these requirements, the Trustee demonstrates a commitment to improve board performance and to understand a Trustee's responsibility in serving the community.

Each year (from one annual meeting to the next) the Trustee will be required to complete 12 hours of healthcare-related continuing education. At least 6 hours must be in approved face-to-face planned meetings (e.g., NCHA winter or summer meetings, AHA educational sessions, Governance Institute programs, or Estes Park meetings). Other continuing education hours may be credited for board (or committee) educational programs, or for studying related publications or participating in approved internet educational programs. Trustees will self-report compliance with the program.

A Trustee will be expected to give a brief report to the Board after attending a meeting. This report should outline at least 3 things learned at the meeting which would be valuable to the Board.

The Trustee Accountability Program will be overseen by the Vice Chair of the Board of Trustees, with administrative help from the hospital staff. The Vice Chair will be responsible for approving educational programs other than those face-to-face meetings listed. Updates on compliance with the program will be periodically reported to the Chair of the board, and will be available to the Nominating Committee.

Results of this program (as well as attendance at Board meetings) may be used in determining a Trustee's commitment to the hospital and his/her suitability for continuing as a Trustee, especially in recommending the Trustee for reappointment by the County Commissioners.

POLICY & PROCEDURE MANUAL

Title:	New Hanover Regional Medical Center Board of Trustee Travel Reimbursement Policy		
Origination Date:	04/12	Manual:	Administrative
Review Date(s):		Section:	05 – Finance (FI)
Revision Date(s):		Policy No.:	5.82
Effective Date:	04/12	Contact Dept.:	Finance
Approval(s):			
<i>Signature on File</i>		<i>Signature on File</i>	
John K. Barto President and Chief Executive Officer		Lori Feezor General Counsel	
<i>Signature on File</i>			
Edwin J. Ollie Executive Vice President/CFO			

I. PURPOSE/SUPPORTING INFORMATION

Trustees are fiduciaries, accountable to New Hanover Regional Medical Center (Medical Center), who serve without compensation or financial gain. In order to fulfill their fiduciary duty, they must be informed of industry dynamics, trends and best practices. To be so informed, attendance at statewide and national meetings and conferences is often necessary. Trustees shall be reimbursed for any reasonable expenses incurred in attending out of town educational meetings or conferences at the request of the Medical Center.

II. QUALIFICATIONS

The provisions of this policy apply to all Medical Center Trustees who incur expenses while engaged in NHRMC business or related travel.

III. EQUIPMENT

NHRMC Travel and Business Expense Reimbursement Forms

IV. PROCEDURE

A. AIR TRAVEL

Air travel will be arranged by the Administrative Assistant to the Board, unless the trustee prefers to make his/her own arrangements to take advantage of any personal discounts, and will be made as far in advance as possible in order to obtain reduced fares. The Medical Center will reimburse the cost of a trustee's coach fare.

B. VEHICLE

As a general rule, travel within 250 miles should be accomplished via personal vehicle unless a more economical means is available. Vehicle travel will be reimbursed at the per mile rate

established from time to time by the Medical Center as based on federal reimbursement standards. For travel involving air transportation, there may be times when it will be more cost effective for the Trustee to rent a car upon arrival at the destination. In these cases, the Medical Center will reimburse the cost of up to a standard size rental for conference days and up to the day prior and the day after the meeting (travel days).

C. **HOTEL/LODGING**

Lodging accommodations should be made at mid-priced hotels, such as Hilton, Marriott or Hyatt, and will be arranged by the Administrative Assistant to the Board. When a conference or meeting is held at a hotel, such hotel shall be used for lodging when possible. Some hotels offer credits. In the event an item or service is purchased with a hotel credit, it shall not be separately reimbursed by the Medical Center.

D. **MEALS**

Meals will be reimbursed at an amount up to a total of \$50.00 per day with receipts. Any amount above this must be reviewed on a case by case basis and approved by the Board Chair. When an event's protocol or companion participation dictate that companions are included, then reimbursement for both the board member and companion are reimbursable.

E. **QUALIFIED EXPENSES AND RECEIPTS**

Expenses for qualified items and services, and exceeding \$25, will be reimbursed with the submission of original receipts to the Administrative Assistant to the Board. (Qualified items and services for \$25 or less do not require a receipt, provided a written explanation is given for the expense.) Reimbursement requests should be submitted within 30 days, but in no event more than 60 days following the last travel day for which reimbursement is requested. Questions regarding qualified and non-qualified items should be directed to the Administrative Assistant to the Board.

F. **PER DIEM REIMBURSEMENT**

In lieu of submitting receipts for meals and other qualified expenses, a Trustee may elect to receive a per diem payment of \$52.00 (if travel is within a low cost area) and \$65.00 (if travel is in a high cost area) per conference and travel day. For any day in which per diem reimbursement is requested, no other expenses except airfare, vehicle rental and lodging will be reimbursed.

V. **REFERENCES**

APM Finance Policy 5.8: Travel/Education/Business Expense

END

Ware, Jim

From: Maurer, Kevin
Sent: Tuesday, October 30, 2012 11:21 AM
To: Ware, Jim
Subject: Board of Trustees expense reports
Attachments: Current Travel Policy (revised 10-07).pdf; New BOT Travel Policy effective 4-12).pdf

Here are the two policies (old, and new BOT). Please note the following selections:

- Page 4: I: "NHRMC will not reimburse expenses incurred by a spouse and/or guest in connection with the business travel requirements of an employee. Additionally, such expenses may not be charged to NHRMC and then later reimbursed by the employee. These are considered personal expenses."
- Page 6: M-4: "Room charges for luxury accommodations are not reimbursable."



POLICY & PROCEDURE MANUAL

Title:	Travel/Education/Business Expense		
Origination Date:	05/88	Manual:	Administrative
Review Date(s):	01/08, 01/11	Section:	5 – Finance (FI)
Revision Date(s):	09/02, 01/03, 01/04, 01/05, 10/05, 01/06, 01/07, 10/07	Policy No.:	5.8
Effective Date:	09/02, 01/03, 01/04, 01/05, 10/05, 01/06, 01/07, 10/07	Contact Dept.:	Administration, Human Resources
Approval(s):			
<i>Signature on File</i>		<i>Signature on File</i>	
Edwin J. Ollie, Executive VP and CFO		Keith Strawn, VP, Human Resources	

I. PURPOSE/SUPPORTING INFORMATION

The policy establishes responsibilities and guidelines for ensuring that travel and business expenses are valid, necessary, and in compliance with NHRMC accounting procedures. It also pertains to travel associated with approved educational purposes.

- A. NHRMC will reimburse employees for approved and authorized expenses incurred while on Medical Center business and/or related travel when the expense is:
 1. actual and reasonable
 2. necessary in performance of Medical Center business
 3. supported by a valid proof of expense such as a detailed cash register receipt or credit card receipt
 4. in compliance with all the conditions established in this policy
- B. NHRMC will only reimburse expenses that have been incurred and properly documented on the appropriate form: Form AD-005 Travel/Education-Request for Advance, Form AD-008 Travel/Education-Expense Reconciliation/Reimbursement Request, or Form AD-026 Employee Business Expense-Request for Payment.
- C. If the Medical Center requires an employee to go on an educational trip and authorizes to pay for all reasonable expenses, the employee will be paid a PED (Paid Education Day) for regularly scheduled worked time away from the Medical Center
- D. If the Medical Center does not require an employee to go on an educational trip, the Medical Center will usually not pay expenses and the employee must use PDOs. Partial payments may be negotiated between the Manager and the employee on a case by case basis, based on the benefits to the Medical Center and the budgetary constraints of the department.
- E. Travel/education by an employee may not be paid or reimbursed by a vendor or contractor with a current, past, or potential contract relationship with the Medical Center. It is a violation of North Carolina law for any Medical Center officer or employee to accept any gift or favor, other than advertising items or souvenirs of nominal value (\$25 or less) from any vendor, contractor or subcontractor.

F. Travel required by the Medical Center for non-exempt (hourly) employees will be paid as follows:

1. If the employee is not required to be away from home overnight, the employee will not be compensated for all of the travel time that occurs outside of his normal worked hours. Travel time that is outside of the normal worked hours and exceeds the normal "home to work" and "work to home" commuting time will be compensated. EXAMPLE: An employee who normally works 8:30 a.m. to 5:00 p.m. is required to attend a meeting from 9:00 a.m. to 5:00 p.m. The expected travel time is two hours. The employee leaves home at 7:00 a.m. and returns home at 7:00 p.m. The employee's normal travel time to and from work is 30 minutes each way. The employee will be paid from 8:30 a.m. to 5:00 p.m. as if he had worked a regular eight (8) hour day and also paid for 1 hour of compensable travel from 7:00 a.m. to 8:00 a.m. and 1 hour and 30 minutes of compensable travel time from 5:00 p.m. to 6:30 p.m. If the meeting is scheduled such that the employee is required to attend and is scheduled to work forty (40) hours excluding the meeting and the compensable travel time, the employee will be paid at time and one-half for the meeting and the compensable travel time.
2. If the employee is required to be away from home overnight, then for travel time, whether by private automobile, plane, train, bus, etc., that occurs during the normal working hours of the employee even though it may not be a normal working day (i.e., Saturday, Sunday, or a scheduled "day off"), employee will be paid his/her regular hourly rate, not to exceed his/her normal daily scheduled hours. EXAMPLE: Employee is required to travel by plane for a two-day meeting. The employee normally works 8:30 a.m. – 5:00 p.m. The employee traveled by plane on Saturday (a four-hour plane ride from 9:00 a.m. – 1:00 p.m.), attended the two-day meeting on Monday & Tuesday, and flew home Tuesday evening after the meeting. The employee is paid four (4) hours for the plane travel to the meeting, paid eight (8) hours for the first day of the meeting and eight (8) hours for the second day of the meeting. Travel home was completed the second day of the meeting and the employee traveled from 6:00 p.m. – 10:00 p.m. The travel occurred after employee's regular work hours, so employee would not be paid for the travel time.

- G. Employees receiving reimbursement under this policy must conduct themselves in a professional manner at all times while away on "Medical Center paid business" and are subject to all policies and procedures that apply to employees of New Hanover Regional Medical Center. Violations could result in disciplinary actions up to and including termination of employment.

II. QUALIFICATIONS/SCOPE

The provisions of this policy apply to all employees of New Hanover Regional Medical Center (NHRMC) who incur expense while engaged in NHRMC business or related travel and who intend to receive reimbursement from NHRMC.

III. EQUIPMENT

Travel and Business Expense Reimbursement Forms are available from:

- Department Manager, Director or Vice President
- T Drive—T:/Finance/Forms/Travel & Expense Reimbursement
- Fiscal Services Department

IV. PROCEDURE

- A. It is the responsibility of each employee who incurs expenses while engaged in Hospital business, and who requests reimbursement from NHRMC, to:
1. verify that all expenses being paid or reimbursed by NHRMC are valid and conform to the provisions established in this policy, and understand that requests lacking required documentation will not be reimbursed.

2. ensure that expenses have not been previously paid through a disbursement request, travel advance, or by an outside organization.

B. By signing the request for reimbursement, the individual is attesting to the above.

- C. Approval Signatures – The CEO, CFO, Vice-Presidents, Directors, or Managers of Departments will be authorized to approve business and/or travel related expenses. Only expenses approved by the original signature of the authorized signer will be accepted for processing.

The act of approval is a representation that the expenses were incurred, are reasonable, adequately documented, serve a legitimate business purpose, and are in full compliance with NHRMC policy. An individual shall not approve his/her own expense report; any expense report must be approved by the appropriate level of management.

D. Audit Review of Expense Reports

1. The Accounts Payable Department will review Expense Reports for proper supporting documentation, approval, mathematical accuracy, appropriate account coding, and adherence to policy requirements prior to issuing reimbursement checks.
2. Material misstatements, significant errors, or items that are clearly not in compliance with this policy will be deducted from reimbursement and the non-compliant items will be returned to the approver. Minor errors will be corrected and will result in an amended reimbursement with subsequent notification to the individual and department.
3. The Office of the Controller will provide final interpretation of the Travel and Expense policy.
4. Periodic audits will be conducted by the Internal Audit department to monitor compliance with this policy.

E. Reimbursement to employees for expenditures pertaining to social events, professional recognition of a personal nature, and holiday parties, requires written approval from the CFO. Otherwise, such expenditures are personal expenditures and will not be reimbursed by NHRMC.

F. Political gifts and gifts of a personal nature are not reimbursable.

G. Preferred Method of Payment

A New Hanover Regional Medical Center Corporate Credit card should be used whenever possible for expenses incurred while traveling on NHRMC business, and for prepayment of event registration and room reservation guarantee. Using the Corporate Card will minimize the use of personal cash and the need for travel advances. When a Corporate Card is not available, direct payment of expenses to the outside vendor for registration, air travel, and room reservation is recommended. Reimbursement of expenses incurred on a personal credit card will be made only after travel has been completed. All reimbursements will be mailed to the address of record of the payee. Credit card fees and finance charges will not be reimbursed.

H. Travel Expense Advance

1. Requests for travel advances should be submitted to Fiscal Services on Form AD-005 Travel/Education-Request for Advance, after obtaining the proper approval signatures and attaching all appropriate documentation.
2. A travel advance may:
 - a. be obtained by check only
 - b. be submitted to Accounts Payable no less than ten (10) business days prior to the departure date
 - c. not be disbursed more than ten (10) business days prior to the intended departure date if payable to the employee
 - d. not be issued to an individual if a previous advance is outstanding

3. All advances will be mailed to the address of record of the payee. Accounting for expenditures related to a travel advance must be completed within ten (10) business days from the date of travel return. Submit Form AD-008 Travel/Education-Expense Reconciliation/Reimbursement Request to Fiscal Services, after obtaining the proper approval signatures and attaching all appropriate documentation.
- I. NHRMC will not reimburse expenses incurred by a spouse and/or guest in connection with the business travel requirements of an employee. Additionally, such expenses may not be charged to NHRMC and then later reimbursed by the employee. These are considered personal expenses.
- J. Actual expenses that are strictly personal in nature incurred during business travel will be the sole responsibility of the individual and not reimbursable by NHRMC.
- K. Transportation
 1. Air Travel
 - a. All air travel should be directed through the Medical Center's preferred travel agency whenever possible. All NHRMC employees are expected to travel using commercial airlines at the cost of "lowest logical airfare" in the United States unless business circumstances cannot accommodate such scheduling. The lowest logical airfare is defined as the lowest-priced coach-class airfare available for flights within two hours before or after the requested departure or arrival time that does not:
 - (1) exceed a one and one-half hour layover time.
 - (2) increase the one-way elapsed trip time by more than two hours.
 - (3) include more than one stop and/or connection in the traveler's one way route.
 - b. The "lowest logical airfare" definition does not require individuals to:
 - (1) arrive later than necessary for participating in an event related to the reason for traveling.
 - (2) depart earlier than necessary from the end of an event related to the reason for traveling.
 - c. Business travel should be arranged as far in advance as possible to take advantage of discounts.
 - d. When attending conferences/seminars, travel discounts for the attendees may have been negotiated by the sponsoring organization. Employees are encouraged to take advantage of these when possible.
 - e. If a trip is cancelled or if departure or arrival times change, the employee must promptly notify the travel agency. Any unused tickets must be returned to the office of the CFO. The employee or the department will be charged for unused tickets that are not turned in promptly.
 - f. Conversion of airline tickets for personal benefit in connection with downgrading of tickets or returning unused tickets for either cash, credit, or personal airline tickets is prohibited.
 - g. Deliberately causing NHRMC to pay more than the lowest logical airfare for the purpose of obtaining personal gratuities (i.e., frequent flyer awards, first class upgrades, etc.) is prohibited.
 - h. Original airline passenger receipt must be submitted with the expense report. For electronic ticketing, a receipt should be requested or obtained online.
 2. Ground Transportation
 - a. Travelers should compare costs of alternate transportation to minimize the cost of ground transportation between airports and hotels or other final ground destinations. Where possible, employees should purchase round trip tickets for shuttles, as their cost is generally less. Original receipts for shuttles, limousines, and taxis must be submitted with the expense report, regardless of the amount, in order to receive reimbursement.
 3. Commercial Vehicle Rental

- a. Vehicle rentals should be made through the Medical Center's preferred car rental agency and rented in the Medical Center's name when using a corporate credit card. If the rental is made in the name of the employee, that employee's personal automobile insurance policy will prevail in the case of an accident.
 - b. Mid-size, intermediate, or smaller cars must be used except when the number of individuals or stowage requires a larger car.
 - c. The physical condition of the rented car is to be examined prior to leaving the car rental lot. Damaged areas of the car are to be immediately reported to the car rental agency. Damage should be documented on the car rental agreement to avoid possible dispute over damages for which NHRMC is not responsible.
 - d. A credit card should be used as payment for a vehicle rental whenever possible unless direct billing is available.
 - e. Original rental agreement and any associated gasoline receipts must be submitted with the expense report.
 - f. Rental cars should be refueled prior to return to avoid refueling surcharges levied by the airport or car rental agency, unless the pre-paid refueling option was chosen as more cost-effective.
4. Privately Owned Vehicles
- a. A privately owned vehicle may be used for business travel provided the vehicle is insured by the private owner and the individual using such a vehicle has a valid operator's license.
 - b. It is expressly understood that while using a privately owned vehicle, the operator assumes all responsibility for accidents to the extent of the operator's insurance coverage.
 - c. Accidents involving injuries or damages to other persons or property while using a privately owned vehicle on NHRMC business must be immediately reported to the operator's insurance company. In addition, the operator must also notify NHRMC's Office of Risk Management within forty-eight (48) hours. Employees involved in an accident must cooperate fully with the appropriate authorities in the investigation.
 - d. The total cost of using a privately owned vehicle including mileage, excess lodging, or other additional cost should not exceed the cost of air transportation.
 - e. Use of a privately owned vehicle is reimbursed at the prevailing Internal Revenue Service mileage rate. This mileage rate covers all operating costs including depreciation, repairs, gasoline, insurance, towage, and other similar charges. Reimbursement for two or more persons traveling in the same vehicle is limited to mileage reimbursement paid to the driver. Under normal circumstances, mileage is computed from the individual's normal place of business to the destination and return to the individual's normal place of business, if the travel is taking place on a regular business day. A mileage log (Form AD-027) may be used to document the distance charged.

L. Meals

1. Expenses for meals during travel to a location more than 50 miles from Wilmington will be reimbursed using a standard meal allowance (per diem). Meals will be reimbursed to the employee at the following rates, provided that the employee is in a state of travel at the times noted:

a. Breakfast	\$10.00	(7:00 a.m.)
b. Lunch	\$15.00	(11:00 a.m.)
c. Dinner	\$25.00	(7:00 p.m.)
2. A \$50.00 per diem, including tips, will be provided for overnight trips. Meals will be reimbursed without receipts or other documentation of expense, as long as the "standard" or "approved non-standard" per diem rate is used.
3. An "approved non-standard" per diem of up to \$75 per participant (with approval of the CEO or CFO) may be reimbursed.
4. If a per diem is not selected and the amount spent for meals exceeds the daily maximum allowed, itemized receipts for that day's meals must be attached to the submitted expense

report. A receipt does NOT guarantee reimbursement; approval for reimbursement must be made by the appropriate level of management for the department.

5. A reduction should be made to the per diem to account for sponsor preplanned meals as provided and included in the cost of a conference or seminar.

M. Lodging

1. Reimbursement for lodging may not exceed the normal rate for a standard single room.
2. The employee should always inquire as to a discounted corporate or governmental rate.
3. Original itemized lodging receipt showing method of payment (a zero-balance statement) must be submitted with the expense report.
4. Room charges for luxury accommodations are not reimbursable.
5. Travel advances for room charges will be issued payable to the place of lodging.
6. If intended travel plans change, the individual traveling is responsible for canceling a hotel reservation. Failure to cancel a guaranteed hotel reservation could result in a "no show" billing of the reserved room. If such a billing occurs due to the employee not canceling the reservation in a timely manner, this charge will not be reimbursed.

N. Communication

1. All business related calls will be reimbursed regardless of call origin (i.e., from home, while traveling, etc.)
2. One personal call (of a reasonable duration) per day will be reimbursed if on business overnight.
3. Telephone, postage, and fax transmission charges will be reimbursed when reasonable and associated with business travel.
4. Detailed statements and receipts must be submitted with the Expense report.

O. Parking and Tolls

Parking costs and tolls will be reimbursed when original receipts are submitted with the expense report. An employee will not be reimbursed for fines for traffic or parking violations.

P. Non-Reimbursable Expenses

1. The following are considered non-reimbursable expenses:
 - a. child care expenses
 - b. medical costs, doctor fees, prescriptions or other drugs
 - c. home or lawn maintenance costs
 - d. personal credit card fees
 - e. theft, loss, or damage of personal property
 - f. hotel movie and game rentals
 - g. repair, maintenance, or insurance of personal vehicles
 - h. travel insurance
 - i. employee tickets and related expense for shows, sporting events, spas, social and amusement activities
 - j. luxury limousine service
 - k. pet expenses (kennel fees, etc.)
 - l. dry cleaning expenses
2. The above list of non-reimbursable expenses serves as a guide and is not to be considered all-inclusive. All business/travel expenses are subject to review and final approval by the Office of the Controller.

Q. Expense Reporting

1. Expense reports should be submitted to Fiscal Services within ten (10) business days of returning from travel.

2. Repayment of unused portions of travel advances must be made to the Medical Center Cashier within ten (10) business days of returning from travel. Repayment should be in the form of a personal check, not cash. A copy of the receipt should be forwarded to Fiscal Services along with the original expense report and documentation.

R. Valid Proofs of Expense

1. Cash register receipts should indicate vendor name, date, amount, method of payment, and a description of the expense.
 2. Itemized bills for meal and lodging expenses MUST accompany the expense report. (Credit card receipts with a total only will not be accepted.)
 3. Valid proof of attendance such as a certificate of completion should be submitted.
 4. Receipt for pre-paid registration should be obtained and submitted with the expense report.
 5. Mileage logs should be submitted to document total business mileage.
 6. Photocopies of canceled checks, both front and back including the endorsement may be acceptable supporting documentation when the original receipts are not available, subject to review and approval by the Office of the Controller.
- S. The Chief Financial Officer will have final authority to review and approve all expenses covered under this policy.

End